
Leasing Activities Information



U.S. Department of the Interior
Minerals Management Service
Gulf of Mexico OCS Region

PROPOSED NOTICE OF OCS SALE 175

Central Gulf of Mexico March 15, 2000

Attached is the Proposed Notice of OCS Sale (PNOS) 175, Central Gulf of Mexico, which is scheduled to be held on March 15, 2000, in New Orleans.

In addition to the Proposed Notice, this package consists of:

- o Information to Lessees for Sale 175
- o Lease Stipulations for Oil and Gas Lease Sale 175
- o Lease Terms and Economic Conditions, Sale 175 Map
- o Stipulations and Deferred Blocks, Sale 175 Map

NOTE: In addition to the items above, the following documents will be included in the Sale Notice Package for the Final Notice of Sale (expected to be available in early February, 2000):

- o List of Blocks Available for Leasing, Sale 175
- o Unleased Split Blocks and Unleased Acreage of Blocks with Aliquots and Irregular Portions Under Lease
- o Debarment Certification Form
- o Bid Form and Envelope
- o Phone Numbers/Addresses of Bidders Form
- o Final Instructions for Making EFT 1/5th Bonus Payments

Both the Proposed Notice of Sale and this Sale Notice Package have been considerably reduced in size, providing only such information that is of interest at this time, some four months before the sale. The Final Notice of Sale and its Sale Notice Package will, as in past sales, contain all the information needed for bidders to participate in the sale.

All of the terms and conditions for proposed Sale 175 are the same as for the most recent Central Gulf of Mexico Sale (Sale 172), **except** that the MMS is proposing to require the use of Electronic Funds Transfer (EFT) for the payment of the 1/5th bonus (see below).

NOTICE:

Electronic Funds Transfer (EFT) payments for the 1/5th bonus. The MMS proposes to **require** the use of EFT for payment of the 1/5th bonus. Current OCS lessees and operators may secure such payment using only a signed bid form as will be prescribed in the Final Notice of Sale; others will be required to secure the EFT payment by any one of four additional methods. Draft procedures for the use of EFT are available on our Homepage or from our Public Information Unit (see below). Questions or comments regarding EFT procedures should be directed to Ms. Vicki Zatarain at (504) 736-2779. Final procedures will be included with the Final Notice of Sale.

Unleased blocks offshore Baldwin County, Alabama. Potential bidders are advised that a stipulation will be included in any lease resulting on Mobile Area Blocks 829, 957, 958, and 1001. Furthermore, the MMS will consult with the State regarding placement of structures in this area. See Stipulation 4 in the Lease Stipulations document and paragraph (u) of the Information to Lessees document included in this package.

Tracts beyond U.S. Exclusive Economic Zone. Tracts beyond the U.S. Exclusive Economic Zone (tracts in the Northern Portion of the Western Gap and in the Northern Portion of the Eastern Gap) are **NOT** offered for leasing in this sale.

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**NOT OFFERED:**

Viosca Knoll Block 69 (under appeal)  
NG 15-9 Area Blocks 133 through 135, 177 through 184, 221 through 238, 265 through 281, 309 through 320, and 358;  
NG 16-7 Area Blocks 172, 173, 213 through 217, 252 through 261, 296 through 305, and 349 (blocks beyond the U.S. Exclusive Economic Zone)

Bidders are reminded that Leasing Activity Update Lists are prepared monthly and are available on or about the 20th of each month through the MMS Gulf of Mexico Public Information Unit and on the MMS Homepage (see below).

**STATISTICAL INFORMATION (Sale 175)**

- o **SIZE:** 4,178 Unleased blocks; 22.15 million acres
- o **PRIMARY LEASE TERMS:**
  - 5 Year - Water depths less than 400 meters - 1,204 Blocks
  - 8 Year - Water depths between 400-800 meters - 115 Blocks
  - 10 Year - Water depths 800 meters or deeper - 2,859 Blocks
- o **MINIMUM BID:**
  - \$25.00 per acre or fraction thereof - Water depths less than 800 meters - 1,319 Blocks
  - \$37.50 per acre or fraction thereof - Water depths 800 meters or deeper - 2,859 Blocks
- o **ANNUAL RENTAL RATES:**
  - \$5.00 per acre or fraction thereof - Water depths less than 200 meters - 1,142 Blocks
  - \$7.50 per acre or fraction thereof - Water depths 200 meters or deeper - 3,036 Blocks
- o **ROYALTY RATES:**
  - 16 2/3% Royalty - Water depths less than 400 meters - 1,204 Blocks
  - 12 1/2% Royalty - Water depths 400 meters or deeper - 2,974 Blocks
- o **ROYALTY SUSPENSION AREAS:**
  - 200-400 Meter Royalty Suspension Area - 62 Blocks
  - 400-800 Meter Royalty Suspension Area - 115 Blocks
  - 800 Meter and Greater Royalty Suspension Area - 2,859 Blocks

For more information on this PNOS, potential bidders are advised to contact Mr. Charles Hill of the MMS GOM OCS Region Sales and Support Unit at (504) 736-2795.

**-MMS-**

Gulf of Mexico Public Information Unit  
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**MMS Homepage Address on the Internet: <http://www.mms.gov>  
24-hour Fax-on-Demand service: (202) 219-1703**